亞洲金融集團(控股)有限公司 *
Asia Financial Holdings Ltd.
Incorporated in Bermuda with limited liability

(Stock Code: 662)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2009

RESULTS

The board of directors (the “Board”) of Asia Financial Holdings Limited (the “Company”) announces the audited results of the Company and its subsidiaries (collectively known as the “Group”) for the year ended 31st December, 2009 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31st December, 2009

	Notes	**2009**	2008
		HK$'000	HK$'000
REVENUE	3	**799,342**	852,781
Gross premiums		**781,546**	836,225
Reinsurers' share of gross premiums		**(229,395)**	(257,540)
Net insurance contracts premiums revenue		**552,151**	578,685
Gross claims paid		**(393,411)**	(353,042)
Reinsurers' share of gross claims paid		**113,493**	76,144
Gross change in outstanding claims		**32,437**	(53,771)
Reinsurers' share of gross change in outstanding claims		**(47,051)**	16,374
Net claims incurred		**(294,532)**	(314,295)
Commission income		**50,024**	47,859
Commission expense		**(181,653)**	(191,936)
Net commission expense		**(131,629)**	(144,077)
Management expenses for underwriting business		**(45,132)**	(41,294)
Underwriting profit		**80,858**	79,019

CONSOLIDATED INCOME STATEMENT (continued)

Year ended 31st December, 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Dividend income		**30,541**	45,550
Realised gain/(loss) on investments		**128,670**	(290,096)
Unrealised gain/(loss) on investments		**94,153**	(578,255)
Interest income		**62,599**	82,133
Other income and gains, net		**6,709**	(8,971)
		403,530	(670,620)
Operating expenses		**(93,280)**	(80,667)
		310,250	(751,287)
Share of profits and losses of jointly-controlled entities		**34,407**	(76,741)
Share of profits and losses of associates		**26,389**	(5,536)
PROFIT/(LOSS) BEFORE TAX	4	**371,046**	(833,564)
Income tax expense	5	**(39,517)**	60,485
PROFIT/(LOSS) FOR THE YEAR		**331,529**	(773,079)
Attributable to:			
Equity holders of the Company		**330,320**	(771,348)
Minority interests		**1,209**	(1,731)
		331,529	(773,079)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic			
- For profit/(loss) for the year		**HK32.4 cents**	(HK73.6 cents)
Diluted			
- For profit/(loss) for the year		**N/A**	N/A

Details of the dividends payable and proposed for the year are disclosed in note 6 to the announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st December, 2009

	2009 HK$'000	2008 HK$'000
PROFIT/(LOSS) FOR THE YEAR	**331,529**	(773,079)
OTHER COMPREHENSIVE INCOME		
Available-for-sale securities:		
Changes in fair value	**257,430**	(307,559)
Transfer of impairment loss to the consolidated income statement	**13,799**	-
	271,229	(307,559)
Share of other comprehensive income of jointly-controlled entities:		
Changes in available-for-sale investment reserves	**4,123**	(5,119)
Changes in exchange reserve	**5,061**	(10,254)
	9,184	(15,373)
Share of other comprehensive income of associates:		
Changes in available-for-sale investment reserves	**4,199**	(175)
Changes in exchange reserve	**207**	9,448
	4,406	9,273
Exchange differences on translation of foreign operations	**(297)**	221
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**284,522**	(313,438)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**616,051**	(1,086,517)
ATTRIBUTABLE TO:		
Equity holders of the Company	**613,598**	(1,084,786)
Minority interests	**2,453**	(1,731)
	616,051	(1,086,517)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31st December, 2009

	2009 HK$'000	2008 HK$'000
ASSETS		
Property, plant and equipment	**178,053**	192,713
Investment properties	**3,020**	3,150
Interests in jointly-controlled entities	**310,073**	266,482
Loans to jointly-controlled entities	**53,790**	59,743
Interests in associates	**111,837**	74,537
Due from an associate	**145,542**	107,498
Deferred tax assets	**22,320**	60,402
Held-to-maturity securities	**775,330**	434,755
Available-for-sale securities	**1,242,431**	653,994
Pledged deposits	**71,232**	52,883
Loans and advances and other assets	**231,039**	203,349
Securities measured at fair value through profit or loss	**1,135,435**	1,114,961
Insurance receivables	**117,020**	127,920
Reinsurance assets	**333,381**	362,651
Cash and cash equivalents	**1,876,031**	2,359,647
Total assets	**6,606,534**	6,074,685
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	**1,019,200**	1,028,649
Reserves	**3,996,628**	3,494,740
Proposed final dividend	**66,248**	10,241
	5,082,076	4,533,630
Minority interests	**17,936**	15,483
Total equity	**5,100,012**	4,549,113
Liabilities		
Insurance contract liabilities	**1,203,843**	1,218,481
Insurance payables	**147,972**	152,995
Due to associates	**5,898**	265
Other liabilities	**108,094**	93,538
Tax payable	**40,653**	60,231
Deferred tax liabilities	**62**	62
Total liabilities	**1,506,522**	1,525,572
Total equity and liabilities	**6,606,534**	6,074,685

NOTES

1. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment *	Amendment to Appendix to HKAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers*
Improvements to HKFRSs (October 2008) **	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary* as it is effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of HKAS 1 (Revised), HKFRS 7 Amendments and HKFRS 8, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

1. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements. The adoption of the revised standard also results in certain presentational changes in the Group's primary financial statements, including the adoption of the revised title "Statement of financial position" for the "Balance Sheet" and the presentation of the "Statement of changes in equity".

The HKFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14.

2. OPERATING SEGMENT INFORMATION

(a) Operating segments

The following tables present revenue and profit/(loss) for the Group's operating segments.

Group	**Insurance 2009 HK$'000**	**Corporate 2009 HK$'000**	**Eliminations 2009 HK$'000**	**Consolidated 2009 HK$'000**
Segment revenue:				
External customers	**799,342**	**-**	**-**	**799,342**
Other revenue, income, gains/(losses), net	**201,257**	**121,415**	**-**	**322,672**
Intersegment	**686**	**-**	**(686)**	**-**
Total	**1,001,285**	**121,415**	**(686)**	**1,122,014**
Segment results	**241,114**	**69,136**	**-**	**310,250**
Share of profits and losses of:				
Jointly-controlled entities	**27,383**	**7,024**	**-**	**34,407**
Associates	**13,619**	**12,770**	**-**	**26,389**
Profit before tax				**371,046**
Tax	**(27,394)**	**(12,123)**	**-**	**(39,517)**
Profit for the year				**331,529**

Group	Insurance 2008 HK$'000	Corporate 2008 HK$'000	Eliminations 2008 HK$'000	Consolidated 2008 HK$'000
Segment revenue:				
External customers	852,781	-	-	852,781
Other revenue, income, gains/(losses), net	(344,696)	(404,943)	-	(749,639)
Intersegment	2	-	(2)	-
Total	508,087	(404,943)	(2)	103,142
Segment results	(301,470)	(449,817)	-	(751,287)
Share of profits and losses of:				
Jointly-controlled entities	(91,880)	15,139	-	(76,741)
Associates	(4,754)	(782)	-	(5,536)
Loss before tax				(833,564)
Tax	37,257	23,228	-	60,485
Loss for the year				(773,079)

2. OPERATING SEGMENT INFORMATION (continued)

(b) Geographical information

Over 90% of the Group's revenue and results are derived from operations carried out in Hong Kong.

3. REVENUE

Revenue, which is also the Group's turnover, represents gross premiums net of discounts, from the direct and reinsurance businesses underwritten during the year.

4. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after crediting/(charging):

	2009 HK$'000	2008 HK$'000
Depreciation	**(14,958)**	(17,045)
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**(80,262)**	(66,760)
Pension scheme contributions	**(3,401)**	(3,756)
Less: Forfeited contributions	**12**	6
Net pension scheme contributions	**(3,389)**	(3,750)
Total employee benefit expense	**(83,651)**	(70,510)
Minimum lease payments under operating leases in respect of land and buildings	**(1,179)**	(2,158)
Realised gain/(loss) on:		
- disposal of securities measured at fair value through profit or loss, net	**117,067**	(287,961)
- disposal of available-for-sale securities	**12,166**	(24)
- redemption/call back of held-to-maturity securities	**(563)**	(2,111)
	128,670	(290,096)
Unrealised gain/(loss) on securities measured at fair value through profit or loss, net #	**116,459**	(551,376)
Impairment loss of available-for-sale securities#	**(22,306)**	(26,879)
Excess over the cost of additional acquisition of an associate*	**16,700**	-
Loss on disposal/write-off of items of property, plant and equipment	**(246)**	(1)
Changes in fair value of investment properties	**(130)**	(630)
Write-back of impairment allowances/(impairment allowances) on insurance receivables	**840**	(45)
Dividend income from:		
Listed investments	**27,272**	39,488
Unlisted investments	**3,269**	6,062
	30,541	45,550
Interest income	**62,599**	82,133

4. PROFIT/(LOSS) BEFORE TAX (continued)

* Excess over the cost of additional acquisition of an associate is included in "Share of profits and losses of associates" on the face of the consolidated income statement.

\# Unrealised gain/(loss) on securities measured at fair value through profit or loss, net and impairment loss of available-for-sale securities are included in "Unrealised gain/(loss) on investments" on the face of the consolidated income statement.

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	2009	2008
	HK$'000	HK$'000
Group:		
Current - Hong Kong		
Charge for the year	**601**	862
Underprovision/(overprovision) in prior years	**(384)**	9,968
Current - Elsewhere	**1,218**	311
Deferred	**38,082**	(71,626)
Total tax charge/(credit) for the year	**39,517**	(60,485)

6. DIVIDENDS

	2009	2008
	HK$'000	HK$'000
Interim - HK3.5 cents (2008: HK1.0 cent) per ordinary share	**35,672**	10,527
Proposed final – HK6.5 cents (2008: HK1.0 cent) per ordinary share	**66,248**	10,241
	101,920	20,768

The final dividend declared on 20th March, 2009 for the year ended 31st December, 2008 of HK$10,241,000 was different from the actual final dividends paid for the year ended 31st December, 2008 of HK$10,192,000 because of the repurchase of shares during the period from 20th March, 2009 to 25th May, 2009 (date of closure of the register of members). The difference of HK$49,000 was transferred to the retained profits from the proposed final dividend reserve.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. Accordingly, the proposed final dividend has been included in the proposed final dividend reserve account within the equity attributable to the equity holders of the Company of the statement of financial position.

7. **EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY**

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK$330,320,000 (2008: loss of HK$771,348,000) and the weighted average number of ordinary shares of 1,021,079,193 (2008: 1,048,253,603) in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December, 2009 and 2008 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit attributable to equity holders of the Company:	HK$330.3m
Earnings per share:	HK32.4 cents
Final dividend per share:	HK6.5 cents
Total dividend per share:	HK10.0 cents

Asia Financial Holdings Limited ("Asia Financial") achieved a net profit of HK$330.3 million in 2009, comparing a loss of HK$771.3 million in 2008. This satisfactory result largely reflects the impact on our portfolio investments of the rebound in world markets following the sharp declines in late 2008 and early 2009. Despite a challenging business environment, underwriting profits remained solid and returns from joint ventures and associated companies were healthy.

Economic Background

Following the outbreak of the world financial crisis in 2007-08, the year began with very sharp contractions in trade and industrial production in much of the world before starting to emerge from technical recession during the second half, due mainly to fiscal and monetary stimulus. Mainland China's economy grew by 8.7% during the year, partly because of record lending by banks. Hong Kong's GDP declined by 2.7% during the year, though the domestic economy, which Asia Financial's operating activities largely serve, was less affected than the trading sector.

Asset prices, which affect much of our year-on-year profitability, rebounded strongly from a very low base during the year, with the Hang Seng and Dow Jones Industrial Average indexes rising 52% and 19% respectively. Some of this was due to the policy-led surge in global liquidity.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Overview by Investment Segments

Insurance

Wholly owned Asia Insurance Company Limited ("Asia Insurance") maintained a good performance in 2009, with net profit for the year of HK$253.3 million, comparing a loss of HK$357.1 million in 2008.

Underwriting profit increased by 2.5% for the year, while turnover fell by 6.2%. This was due to an ongoing strategy of rebalancing and streamlining the company's portfolio by reducing emphasis on less profitable coverage in order to protect the bottom line. Our exposure to less cyclical business sectors also helped us to achieve this creditable operating performance during a difficult economic climate in Hong Kong. Unlike in 2008, there were no serious typhoons, storms or other major incidents affecting Asia Insurance.

Net investment income showed a marked improvement to HK$147.3 million, largely due to the substantial rebound in equities markets during the year. Interest and dividend income on the whole performed less well, notably because of the low interest-rate environment and the cyclical downturn in companies' earnings; bonds, however, benefited from investors' "flight from equities". By maintaining our traditional prudent investment approach, we generally matched or exceeded major benchmarks. Asia Insurance has no significant exposure to US sub-prime mortgage and similar types of investment instrument.

The significant increase in other income is the result of a year-on-year effect following foreign exchange losses in 2008. Management expenses picked up after the weak business year of 2008, but we will continue to maintain a firm grip on costs.

Associated companies and joint ventures continued to perform respectably, with The People's Insurance Company of China (Hong Kong) Ltd. and BC Reinsurance Ltd. ("BC Re") in particular benefiting from the rebound in the markets during 2009, as did Hong Kong Life Insurance Ltd., which following an increase in issued capital has now moved into profit and is poised for continued growth. Professional Liability Underwriting Services Ltd. remained profitable. We expect returns from these companies to rise as their operations develop. BC Re, like Asia Insurance itself, has enjoyed notable success in expanding reinsurance business, especially in overseas markets such as Japan, South Korea and Southeast Asia.

With its strong capitalisation (recognised by a Standard & Poor's 'A' rating), Asia Insurance is well-placed to maintain profitability and expand large-scale co-insurance business. Management is positive about further opportunities in reinsurance, including in South Korea and other markets. We are also hopeful for the prospects of individual medical insurance, the market for which may be encouraged by government policy in the years ahead. As one of the leading Hong Kong-registered general insurers, Asia Insurance is expecting to build on its reputation for strength and service continuously to attract and retain the loyalty of our high-quality client base. We remain confident about Asia Insurance's prospects in the years to come.

PICC Life Insurance Co. Ltd. ("PICC Life") in Mainland China, in which Asia Financial has a 5% stake, raised additional capital on two occasions during 2009 to maintain strong business expansion, which was reflected during the year in terms of premiums, which rose to RMB52.4 billion, and rising assets and profit. To give an example, PICC Life is planning to expand the number of its local offices from 1,600 to 2,300 in 2010.

Overview by Investment Segments (continued)

Other Portfolio Investment

Asia Financial's other portfolio investment income recorded a net profit of HK$106.0 million in 2009. This rebound from the beginning of the year reflected the substantial recovery in global equities, such as the blue chips listed in Hong Kong and New York that comprise much of our core portfolio and trading investment income. Our externally managed funds similarly performed well. Net interest income for Asia Financial fell by 23.8%, partly because of the low interest-rate environment, but also because we drew on bank deposits during the year for capital for PICC Life Insurance Co. Ltd. in Mainland China and a real estate investment in Shanghai.

Asia Financial has no direct exposure to the parts of the credit market affected by the sub-prime loans problems arising in the United States. Secondary exposure via equity and fund investments is limited by our policy of diversification and focus on quality, while our relatively minor holdings in fixed income and derivative instruments are of investment grade or above.

Although asset prices made strong gains in 2009 from a very low base, there are real concerns that the increased valuations fail to reflect underlying weaknesses and imbalances in the global economy, such as budget deficits. Market volatility remains a real prospect. With this in mind, we will continue to adhere to our longstanding investment principles of prudence and focusing on the underlying long-term quality of the assets we hold.

Health Care

Hospital development and health care company Bumrungrad International Limited ("BIL"), in which we hold a 19.5% stake, made a small profit for the year, through its hospital in the Philippines and regional renal dialysis centres in North-east and Southern Asian countries. The company is actively studying opportunities in the Middle East and elsewhere in Asia.

Demographic and related government policy trends will produce growing demand for health-related services in the Asia-Pacific region in the years ahead, and we expect BIL and other possible investments in this sector to represent sound long-term sources of profit. We are currently examining the possibility of investment in the hospital sector in Hong Kong, which the government is keen to see expand.

Pension and Asset Management

The Group's main current presence in this sector, its holding in jointly-controlled company Bank Consortium Holding Limited ("BCH"), saw a profit decline in 2009. This reflected falls in some classes of fee income common to the industry during these market conditions. Bank Consortium Trust Co. Ltd., a wholly owned subsidiary of BCH, is one of the top five providers of Mandatory Provident Fund services in Hong Kong, and its outlook remains positive.

Property Development Projects

The Group's interests in real estate are focused in Shanghai and Suzhou in Mainland China and which represent 4.7% of our total assets at the end of 2009. Our main project is a residential and commercial development at Jiading in Shanghai in which we have a 27.5% stake. The first phase of the project has enjoyed strong pre-sales and will be complete by the end of 2010.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Overview by Investment Segments (continued)

Property Development Projects (continued)

There is much talk at present about the possibility of a property bubble in the Mainland. We are confident that the Jiading development is not overly exposed to such a threat. The project is designed to be popular among middle-class end-users; it is in particular located in a very desirable area near mass transit (30 minutes from downtown) and leisure facilities and has been recognised as a leader in the city for its design and quality. It offers the sort of housing for which there is solid underlying market demand.

Management Approach and Future Prospects

Although the worst of the financial and economic instability may be over, management continues with its longstanding policy of prudence in the pursuit of long-term growth in shareholder value and the seeking of new investment opportunities in our favoured business and geographic sectors. Our management of the cash and other elements of our portfolio investments will continue to reflect these principles. Although there are few signs that inflation poses a significant threat in Hong Kong, we will remain conscious of the need to manage costs carefully.

In the near-term, where investment income is concerned, there is considerable uncertainty about the outlook for global markets, and we will be cautious as we seek trading opportunities. It would be unlikely that the year 2010 can repeat 2009's significant rebound in investment returns.

However, it is important that we look beyond the short-term ups and downs in markets and continue to focus on our overall strategy and vision. Many believe that the relative resilience of Asia compared with the more mature Western economies during the recent crisis underlines a historic rebalancing of global growth in our region's favour. Certainly, the years ahead seem likely to deliver higher economic growth in Asia than in many other parts of the world, and Asia Financial expects to ride this trend.

Our strategy is to build upon our existing base of investments in insurance, in the fields of retirement and health care, and in certain property development projects in the Mainland. We foresee this overall area of private individual and family services as offering very attractive opportunities in the years to come. The middle-class population in Greater China and elsewhere in Asia is growing in size and wealth. Meanwhile, demographic trends point to aging societies in the region, and thus government policies to encourage individual provision of many services. We expect these two trends to produce growing demand for the products and services of our selected investment sectors.

We will therefore continue to explore opportunities to increase direct investment and joint venture activity in areas where Asia's emerging middle class will create demand for private, affordable, quality livelihood services. We will identify value and the potential to leverage our traditional expertise, networks and client bases, and we will pay particular attention to the formation of appropriate partnerships. We will exercise patience in considering and selecting such new investments, and I believe that this careful approach will yield additional returns in the long run.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group for the year ended 31st December, 2009 was 247 (2008: 242). Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration of the employees includes salary and discretionary bonus which is based on the Group's results and individual performance. Medical and retirement benefit schemes are made available to all level of personnel. There was no share option scheme in operation during the year. The Group also offers various training and induction programmes to its employees.

FINAL DIVIDEND

The Board has resolved to recommend to the shareholders the payment of a final dividend of HK6.5 cents (2008: HK1.0 cent) per share which, together with the interim dividend of HK3.5 cents (2008: HK1.0 cent) per share, will make a total dividend of HK10.0 cents (2008: HK2.0 cents) per share for the year ended 31st December, 2009. The proposed final dividend will be paid in cash to those shareholders whose names are on the Register of Members of the Company on Thursday, 6th May, 2010 and the dividend warrants will be despatched to shareholders on or about Tuesday, 18th May, 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 3rd May, 2010 to Thursday, 6th May, 2010, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 30th April, 2010.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on Thursday, 6th May, 2010. Notice of the Annual General Meeting will be published and despatched to the shareholders on or about Wednesday, 31st March, 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31st December, 2009, the Company purchased certain of its shares on The Stock Exchange of Hong Kong Limited and these shares were subsequently cancelled by the Company. The summary details of those transactions are as follows:

Month	*Number of shares repurchased*	*Price per share*		*Total price paid*
		Highest	*Lowest*	
		HK$	HK$	HK$'000
January 2009	588,000	2.10	2.10	1,238
February 2009	3,981,428	2.10	2.06	8,323
March 2009	458,000	1.94	1.72	823
April 2009	4,422,000	2.10	1.91	8,904
	9,449,428			19,288

The purchased shares were cancelled during the year ended 31st December 2009 and the issued share capital of the Company was reduced by the par value thereof. The premium paid on the purchase of the shares of HK$9,839,000 has been charged to the retained profits of the Company. An amount equivalent to the par value of the shares cancelled has been transferred from the retained profits of the Company to the capital redemption reserve.

The purchase of the Company's shares during the year ended 31st December 2009 was effected by the directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31st December, 2009.

CORPORATE GOVERNANCE

Throughout the year ended 31st December, 2009, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31st December, 2009.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.afh.hk and the HKExnews at www.hkexnews.hk. The 2009 annual report will be despatched to the shareholders and available at the same websites on or about Wednesday, 31st March, 2010.

By Order of the Board
Asia Financial Holdings Limited
Robin Yau Hing Chan
Chairman

Hong Kong, 3rd March, 2010

As at the date of this announcement, the executive directors of the Company are Mr. Robin Yau Hing Chan (Chairman), Mr. Bernard Charnwut Chan (President), Mr. Stephen Tan, Mr. Wong Kok Ho; the non-executive directors are Mr. Lau Ki Chit, Dr. The Hon. Leo Tung Hai Lee, Mr. Choedchu Sophonpanich, Mr. Ng Song Hin, Dr. The Hon. Philip Yu Hong Wong, Mr. Kenneth Chi Lam Siao, Mr. Mamoru Miyazaki, Ms. Chan Yeow Toh; and the independent non-executive directors are Ms. Anna Suk Han Chow, Mr. Andrew Chiu Cheung Ma and Dr. Ko Wing Man.

* *For identification purpose only*